

Growing with GEMC Federal Credit Union

Annual Report 2015



Chair Report

2015 was an amazing year for GEMC Federal Credit Union. Your Credit Union has grown from its modest beginnings in 1969 to over \$107 Million as of December 31. Our members have contributed to our growth and stability, making us one of the top 25 Credit Unions in Georgia. Thank you for having confidence in our service to you.

Electronic connectivity has infused our social, academic and professional lives. Our electronic devices have become very important to us. Your Credit Union has taken that queue to made great strides in being electronically available to our members 24/7. In 2015, enhanced mobile deposit was presented to our membership. Our now comprehensive suite of electronic services improves the way our members access and utilize their accounts with GEMC, anywhere, anytime. Of course, our three walk-in branches remain open for our membership. We want to serve our members in the way that they prefer, either in person, from the comfort of their home, or in their travels. We will continue to strive to offer elements of banking to help our members afford life and exceed expectations through every one of our many service touchpoints.

As our Financial Report bears out, GEMC FCU continues to grow. We, the Board of Directors, are honored with the responsibility of being trusted stewards of the Credit Union's resources. Our focus is to provide valued products and at the same time, looking toward the future to anticipate our members' needs.

I would be remiss if I didn't recognize and thank the outstanding staff of GEMC FCU. Each of them is committed to serving our members and is dedicated to ensuring that all members receive consistent care. The staff is focused on giving you outstanding service, so when you have an opportunity, let them know how much you appreciate them and appreciate your membership at GEMC FCU.

As a financial cooperative, we rely on volunteers to help bring Credit Union services to our members at each of our electric cooperatives. I would like to recognize our Credit Union Service Advisors who give of their time and talent. They have been like a part of the family to us and without them our Credit Union would not be what it is today. The board, leadership and staff of GEMC thank you for your dedication to us. You are a valuable part of our team.

I would like to take this opportunity to recognize a board member who will be stepping down from his position with this year's election. Richard West, our Treasurer, has been a member of our Board of Directors for 15 years. Richard's dedication to our Credit Union is very much appreciated. Thank you Richard!

Tony Tucker
Board Chair

Nominating Committee

The 2015 Nominating Committee submitted two nominees to fill the three-year terms for the Board of Directors that begin at the March 23, 2016 Annual Meeting of Members.

The Nominating Committee members are:

| | | |
|-------------------------|------------------|---------------|
| Wayne Livingston, Chair | Scott Mozley | Tammie Harper |
| Diverse Power | Oglethorpe Power | Irwin EMC |

The Nominating Committee nominees are:

| | | |
|--------------|-----------------------|---------------------------------|
| Matt Brinson | Tim Williams | Greg Ford |
| Planters EMC | GreyStone Power Corp. | Georgia System Operations Corp. |

Treasurer's Report

In 2015, GEMC Federal Credit Union reached a milestone. It was during this year that assets of the Credit Union grew to over \$100 Million. As of December 31, 2015 assets were \$107,148,599. Our growth and consistent financial stability is attributed to the trust our members have in our viable, strong organization. Thank you for trust and for allowing us to serve you.

Another highlight of 2015 is the unprecedented increase in borrowing members. The total loan portfolio rose by 12% in 2015 to \$68,641,736, more than any time in our Credit Union's history. The majority makeup of our loan portfolio is in autos and collateralized loans. Pent up demand and competitive rates has afforded our members the opportunity to use their Credit Union like never before.

A healthy balance sheet is made up of proportionate savings growth. Savings grew to \$95,539,599, providing ample resources for funding our members' borrowing demand.

Net Income sustains our programs and products and provides for necessary operating expenses. In 2015, an addition of \$312,604 was added to Undivided Earnings bringing our Capital Ratio of the Credit Union to 10.38%. Capital demonstrates financial strength and reserves to draw on for adverse operating conditions. GEMC FCU's Capital position is strong and exceeds requirements set by the National Credit Union Association, our federal regulator.

On a personal note, this will be my last report to our members as I am stepping down from the Board of Directors effective with these 2016 elections. I would like you to know how grateful I am for the time I have had the privilege of serving on the Board of Directors. The Credit Union is an excellent organization, striving to give exemplary member support and service. The growth in the last ten years has been phenomenal. New products and services give members additional choices. I will miss being on the Board but will continue to be a member using the Credit Union for all my banking services. Thank you!!!

Richard West
Treasurer

Supervisory Committee Report

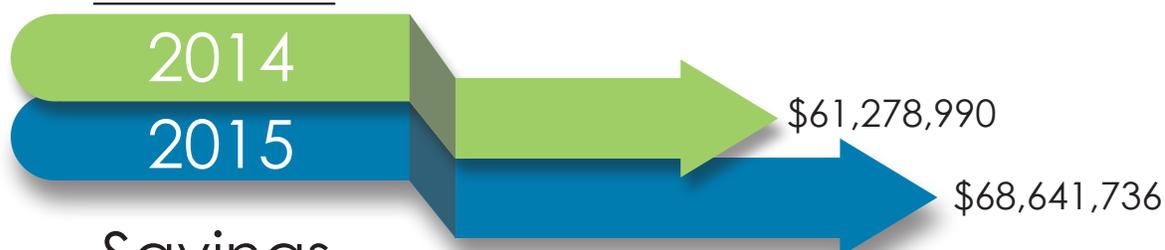
The Supervisory Committee is pleased to report that the Credit Union's assets have been protected and operations have been conducted in an acceptable manner as set forth by the Federal Credit Union Act.

To help provide a continuous audit we have employed an independent CPA firm, meeting the recommendation of generally accepted accounting principles. This audit takes place in addition to the annual examination conducted by examiners of the National Credit Union Administration.

In addition, the Supervisory Committee actively monitors an internal audit function. The audit function reviews selected transactions for accuracy, policy adherence, and compliance to federally mandated regulations

Randy Kent, Altamaha EMC
Supervisory Committee Chair

Loans



Savings



Total Assets



Financial Condition as of 12/31/2015

Assets

| | |
|-----------------------|----------------------|
| Loans to Members | \$68,641,736 |
| Loan Loss Reserve | (\$154,802) |
| Cash on Hand | \$534,444 |
| Investments | \$36,133,374 |
| All Other Investments | \$1,993,847 |
| Total | \$107,148,599 |

Liabilities and Equity

| | |
|------------------------|----------------------|
| Savings & Certificates | \$95,116,752 |
| Reserves | \$11,117,751 |
| All Other Liabilities | \$914,096 |
| Total | \$107,148,599 |

Statement of Income

| | |
|-------------------|--------------------|
| Interest on Loans | \$3,380,962 |
| Investment Income | \$299,126 |
| Other Income | \$1,114,989 |
| Total | \$4,795,078 |

Distribution of Income

| | |
|--------------------|--------------------|
| Dividends | \$300,706 |
| Operating Expenses | \$4,114,677 |
| Total | \$4,415,383 |

Additions

| | |
|-------------------------|------------------|
| Reserves | \$379,696 |
| Reduction in Reserves | (\$67,092) |
| Total Net Income | \$312,604 |

2015 Annual Meeting Minutes - March 25, 2015

The 2015 Annual Meeting of the GEMC Federal Credit Union, was held on March 25, 2015 at 11:00 a.m. at the Healy Point Country Club, Macon, Georgia.

After a brief social time, Chair Tucker called the meeting to order and declared a quorum present. Supervisory Committee Chair Randy Kent delivered the invocation.

Mr. Tucker welcomed all attendees. Chair Tucker also recognized attending EMC Managers, retired EMC Managers, and GEMC FCU Board of Directors. President Denise Swan recognized the credit union staff members in attendance: Teresa Leonetti, Andrea Quinnell, Alma Boone, Thom Rudd, Mark Nofi, Mike Culbertson and Evan Kelley.

A motion was made and carried to dispense the reading of the 2014 annual meeting minutes and approved as submitted.

The Supervisory Committee Chair Randy Kent gave a report regarding the most recent audit conducted by his committee. The findings of the audit reported all aspects of the Credit Union are being managed appropriately. Mr. Kent also reported that his committee's role has expanded to include a quarterly internal audit process, working closely with the credit union's Compliance Director and outside auditor.

Chair Tucker commented on the financial strength of the credit union in 2014 as stated in the Annual Report that was distributed to all attendees.

The Nominating Committee report was presented by committee member Tammie Harper. Ms. Harper presented the slate of nominees for the two open board positions as nominated by the Committee and stated in the Annual Report. Because no petitions

were received by the board secretary within the specified time, the following were re-elected by acclamation. The board members are:

Tony Tucker, Irwin EMC
Kerry Sibley, Georgia Transmission Corp.

Two Grand Prize tickets were selected from all attendees' entries. The announcement for those prizes was made at the end of the meeting.

Many prizes were given away throughout the meeting.

Mark Nofi, Marketing Director of GEMC FCU came forward and spoke about the credit union's strategic partners and related what each offers. They were: CUFS and Car Solutions/Carvana. A representative from each company came forward and presented a short product overview of their company.

Mr. Nofi then introduced a video which featured members' testimonials about their using GEMC and their experiences. Mr. Nofi then highlighted upcoming products the Credit Union will soon be offering members: a new mobile app and picture deposit capture. Andrea Quinnell of the Credit Union staff then came forward and presented information regarding the new EMV Chip enabled credit cards that will soon be issued to members.

The Grand Prize was awarded and the meeting adjourned.

Denise Swan, President of GEMC FCU recognized Chair Tucker for his support and service to the board and Credit Union members. The Credit Union Service Advisors that were attending were also recognized and thanked for the dedication and work on behalf of the Credit Union. Each CUSA received a recognition gift.

There being no further business, the meeting was adjourned. Lunch was served to all attendees.



Helping People
Afford Life

Board of Directors

Matt Brinson, Planters EMC
Greg Ford, Georgia System Operations Corp.
Julianna McConnell, The Preston Group
Kerry Sibley, Georgia Transmission Corp.
Joe Simpson, Excelsior EMC, Retired
Tony Tucker, Mitchell EMC
Tim Williams, GreyStone Power
Ray Miller, Board Emeritus

Credit Union Management

President: **Denise Swan**
Vice President of Operations: **Thomas Rudd**
Vice President of Marketing & Business Development:
Mark Nofi
Vice President of Branch Strategies: **Mike Culbertson**
Director of Audit & Compliance: **Mylia Liddell**
Controller: **Denise Garrett**